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STRATEGIC BRAND MANAGEMENT:  
MASTER PAPERS

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MASTER PAPERS

**Restaurant industry's  
response to Covid-19**

*By Nikoleta Mircheva, Barbara  
Plompen and Milan Wynants*

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# SBM

STRATEGIC BRAND MANAGEMENT

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# Restaurant industry's response to Covid-19

*Nikoleta Mircheva, Barbara Plompen & Milan Wynants*

## **Abstract**

**Purpose** – The key objective of this research is to discuss different restaurant strategies that emerged in Belgium, Bulgaria, Denmark and Sweden in response to the Covid-19 pandemic and relate the respective restaurant activities to brand trust and reputation. Therefore, the restaurant industry is analysed with respect to the pandemic and findings are put into context by explaining the countries' severity of lockdown. The current research contributes to literature on the restaurant industry during the Covid-19 pandemic and encompasses important theoretical and practical implications for restaurant strategies regarding customer trust and relationship.

**Design/Methodology/Approach** – Literature review on restaurant industry during Covid-19 in connection with brand trust and reputation followed by case studies of four restaurants in different countries to draw conclusions about undertaken strategies in reaction to the pandemic.

**Findings** – The analysed Covid-19 restaurant strategies distinguish themselves in level of change and communication. Findings are depicted in a 2 by 2 model. Existing brand trust, reputation and strong customer relationship prove to be of high value regarding the restaurants' organizational performance while facing the challenges of the Covid-19 health crisis.

**Research limitations/implication** – Lack of literature, longitudinal studies and empirical data due to the recency of the Covid-19 pandemic. Due to a small sample size the findings are not statistically significant. Future research on restaurant strategies during and after the health crisis focusing on brand perception have high potential to create valuable theoretical and managerial implications.

**Practical implications** – Fostering brand trust and brand preference in the customer's mind is crucial in order to face unprecedented challenges such as the Covid-19 pandemic.

**Originality/value** – The current paper is the first research that focuses on comparing restaurant strategies in four different European countries that emerged from the specific country's severity of lockdown and provides important general and contextual managerial recommendations.

**Paper type** - Research paper

**Keywords:** Strategic Brand Management, Restaurant Industry, Brand Trust, Brand Reputation, Customer Relationship, CSR, Covid-19 Pandemic, International Dimensions

## 1. Introduction

How do restaurants adapt their business strategies to the ongoing Covid-19 pandemic and how does this affect their brand? Through the analysis of four specific European restaurants located in Belgium, Bulgaria, Denmark and Sweden and the development of two models, the restaurant strategy model and the country lockdown model, this paper aims to find a coherent answer to the aforementioned question while taking into account the different situation each country finds itself in with regard to Covid-19. The interconnection between the restaurants' strategies, brand trust and brand reputation is going to be investigated as the restaurant sector is one of the economy's main sectors that is being affected heavily by the ongoing pandemic. The analysis is based on a scientific approach by considering the restrictions and measures that are put into place by the local governments and how these affect the restaurants' business strategies as well as customers' assessment of branding concepts.

## 2. Theoretical background

The availability of literature concerning restaurants during the Covid-19 pandemic is still relatively scarce given the recency of the crisis. Furthermore, literature provides only little theoretical insight on response strategies of organisations to a global pandemic (Hu, Yan, Casey, & Wu, 2020, p. 2). Gursoy & Chi (2020, p. 527-528) suggest that the Covid-19 crisis creates new research opportunities in hospitality marketing and management literature regarding the newly generated insights about the industry and how changed customer needs and values influence the industry's operations. The following will provide an overview over already existing research on the pandemic and its influence on the restaurant industry focusing on

restaurant activities regarding brand reputation and trust.

### 2.1 Covid-19 and restaurant industry

The pandemic has a severe negative impact on the food serving industry (Ou, Wong, & Huang, 2021, p. 1). Due to various safeguard measures imposed by governmental authorities against Covid-19 such as safety protocols, stay-at-home orders, social distancing or lockdowns of communities, restaurants all over the world have been experiencing a significant decrease in volume of customers (Statista 2020). Bartik et al. (2020, p. 14) state that the chances for restaurants to survive the health crisis radically decreases the longer the crisis lasts (e.g. 72% chance of survival after one month, 15% chance of survival after six months). However, authorities started to slowly introduce easing of certain restrictions that, amongst others, also are directed at the restaurant industry. In most countries, operating restaurants have to integrate several safety measures and protocols into their organisational models and practices. For instance, they are only allowed to accommodate a limited number of guests while simultaneously following solid social distancing and hygiene rules (Gursoy & Chi, 2020, p. 527).

Hu et al. (2020) investigate how organisations in the hospitality industry can facilitate employee compliance with said Covid-19 safety requirements. The authors argue that in the pursuit of strengthening employees' commitment to safety it is important that management responds to environmental threats that concern employees (e.g. the organization's viability and job security) and thus positions the organisation internally as a 'safe haven'. This creates a basis for a cooperative relationship between management and employees from which employee compliance with the Covid-19 safety measures can evolve. Deep compliance stems from health and risk awareness (e.g. perceived risk of Covid-19), perceived

utility of the imposed safety measurements to protect customers' health, behavioural adaptation of those measures and finally, integration of the safety measures into existing work routines. (Hu et al., 2020, p. 8-10)

Creating safety compliance among employees is relevant for the current paper given that employees play a central role in creating the customer's perception of the restaurant image and reputation (Erkmen & Hancer, 2019, p. 1481).

## *2.2 Brand reputation, trust and restaurant strategies during Covid-19*

Ou et al. (2021) outline how restaurants could foster a positive image and reputation during different phases of the Covid-19 pandemic. Central to their research is CSR as organizational crisis response from restaurants to various stakeholders. Therefore, they introduced a three-stage model depicting the periods incubation (stage one), acceleration (stage two) and peak (stage three) of the crisis. In the first stage, work performance within the restaurants declined because of the pandemic's impact on the economy. Thus, corporate communication focusing on social initiatives was primarily addressed to internal stakeholders (e.g. employees). In stage two, the severity of the pandemic has substantially increased. The pandemic not only impacts organisations but also affects society in general leading to a significant decrease in volume of restaurant guests. According to Gursoy & Chi (2020, p. 527) only around 25% of individuals have already eaten out in a restaurant while over 50% of individuals do not feel safe to dine in a restaurant during this phase of the pandemic. Hence, recognising the people's needs and wants, CSR efforts were focused mainly on enhancing the local community's lives and situations (e.g. donations of food and money to those in need). The economic stagnancy that characterises stage three challenged the existence of several small businesses which also had a negative impact

on the supply chains of many restaurants. Therefore, CSR was mainly directed at farmers given their importance in the foodservice supply chain. Ou et al. (2021) suggest that restaurants investing in CSR efforts to enhance the industry's and society's situation during the uncertain times of the Covid-19 pandemic will be able to create competitive advantage and to stay in business. (Ou et al., 2021, p. 7-8)

The insight that constantly being present in the customers' minds (e.g. through CSR efforts) helps restaurants to keep their position in the market (Ou et al., 2021, p. 8) can be linked to Erkmen & Hancer's (2019) finding that restaurant employees can contribute significantly to restaurant branding. More concisely, the more contact and interaction there exists between customer and employee (e.g. the more present in the guest's mind), the higher the opportunity that employees can be the restaurant's source of differentiation. Hence, the authors emphasise the potential of internal branding to create a unique customer experience and thus, an increased brand image of the restaurant. (Erkmen & Hancer, 2019, p. 1481)

Branding plays a crucial role for restaurants to stand apart from the fierce competition in the foodservice industry (Erkmen & Hancer, 2019, p. 1469). Erkmen & Hancer (2019) show that the brand image of restaurants is significantly influenced by service quality and the experiences of other customers. The latter is considered to be a tangible cue of the restaurant's brand personality and thus is able to increase guests' preference for the brand. Another factor that enhances brand preference is the congruence of brand personality and the customer's self-concept. Furthermore, it is argued that brand image has a positive effect on brand trust. This especially holds true for fine dining restaurants (Erkmen & Hancer, 2019, p. 1479-1480). These findings are valuable indications to formulate strategies in response to the pandemic. In other words, being aware of

the customer segment's needs and possibly changed values due to the Covid-19 situation, and implementing those values in business practices, could contribute to higher brand preference and trust.

Given the current lack of literature on strategies restaurants formulated in response to the Covid-19 pandemic, the next section introduces a two by two matrix depicting four different strategies that emerged due to the crisis respectively in Belgium, Bulgaria, Denmark and Sweden. Hereby, the country specific safety Covid-19 measures are taken into account as they set the framework for possible strategy formulations. The matrix is subject to an underlying model that discusses how restaurant strategies, brand trust and reputation interconnect (see Figure 1).

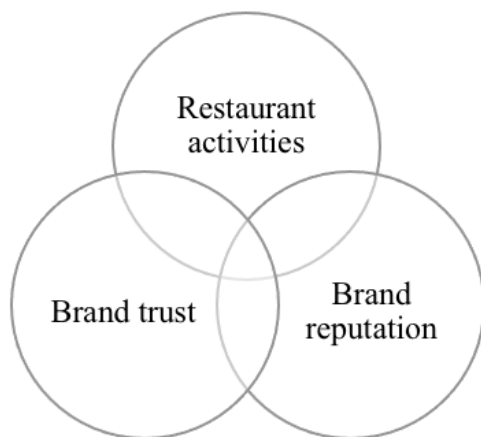


Figure 1

The interconnection between currently undertaken restaurant activities regarding brand trust, CSR as well as brand reputation and image reinforce the customers' perception of and closeness to the brand. The unprecedented safety measures stemming from the pandemic and the virus itself impact existing perceptions of individuals and societies. From this change in perception, new values are created in the customer's mind which restaurants need to consider in their future behaviour and business practices.

### 3. Restaurant strategy model

Since the pandemic was a worldwide phenomenon it is of utmost importance to research various examples in multiple settings. Nevertheless, the paper will constrain its research to the borders of Europe due to the additional factors which immensely affect the differences in habits, culture, behaviour and crisis management approaches. The following section will concentrate on the responses of the four chosen restaurants to the covid-19 pandemic by discussing their branding, positioning, communication and reaction to the crisis and a model will be developed to put the findings into a common platform.

#### 3.1 Introduction to the four restaurants

##### *Frantzén in Sweden*

Frantzén is a three Michelin star restaurant based on a philosophy of casual elegance in the central parts of Stockholm. The restaurant serves modern Nordic cuisine with influences from Japan in three floors of a townhouse. In 2010 Frantzén was awarded with two Michelin stars and the restaurant gained its third star in 2018. In 2019 the chef Björn Frantzén won the Best Chef Top100 Award based on the chef's experience, talent and potential as well as his personality. (Frantzén Group, 2020)

Frantzén is part of the Frantzén Group which owns several award-winning restaurants and bars in different Swedish cities, Hong Kong and Singapore. Furthermore, the Frantzén Group promotes projects to support quality assurance in Sweden's food industry. The Frantzén Group establishes high quality standards in terms of service and food and it also aspires to integrate its values and identity to offer its guests a unique dining experience in every of its restaurants. (Frantzén Group, 2020) (see Appendices 8.1 for visual representation)

Fine dining restaurants strongly depend on international guests (Abend, 2020) which



poses a potential risk for premium restaurants as many countries have introduced travel bans in response to the Covid-19 pandemic.

The following briefly outlines Sweden's covid-19 strategy to give an overview about the general situation in Sweden and implications for restaurants. Sweden's strategy in response to covid-19 has the overarching objective to protect people's health and life as well as to ensure health care capacity by mitigating the spread of the virus. At the same time, the Swedish Government emphasises the importance of keeping in mind which effects the measures against covid-19 might have on overall public health and society. The Swedish Government invokes its people to take individual responsibility and it is expected that individuals act accordingly to protect themselves and others. Hence, the Swedish Corona strategy is mostly based on advice and recommendations of the government rather than restrictions and prohibitions. (Krisinformation, 2020)

Existing bans such as temporary travel restrictions into Sweden have an impact on the restaurant industry. However, the exempt of restaurants, cafés and pubs of the public gathering limit has given Swedish restaurants the opportunity to stay open during the pandemic (Krisinformation, 2020). Nevertheless, premises serving food have to follow specific rules including implementing measures to ensure the guests are able to keep enough distance from each other (at least one meter), only providing table service and providing guests with means to take care of their hand hygiene. (Government.se, 2020; Krisinformation, 2020)

Accordingly, Frantzén has stayed open throughout the pandemic. The restaurant did not change its strategy and the pandemic is not mentioned in the restaurant's communication.

### *Hof van Cleve in Belgium*

Hof van Cleve is a high-end cuisine restaurant located in the small village of Kruishoutem, Belgium. Since 2005, the restaurant has been awarded three stars in the Michelin Guide and is even recognised as the best restaurant in the world by *WBPStars* which has led to the restaurant being considered Belgium's most prestigious. The main aim of the restaurant is to give its customers a total experience. Chef Peter Goossens and his staff combine high quality local products with a limited amount of imported international ingredients to add that special touch. He believes all five senses have to be stimulated during a visit and therefore everything is put into practise to deliver an experience of the highest quality. Attention to detail is very important both in the food as well as in the design of the restaurant where a local artist is put on display every year. (Hof van Cleve, 2020). (see Appendices 8.2 for visual representation)

With regard to covid-19 in Belgium we can detect certain important dates that affect the operations within the restaurant industry. On 17 March 2020, the Belgian National Security Council decided to close all non-essential shops in an attempt to stop the rapid spread of the coronavirus (Belgium, 2020). As a result, all restaurants were forced to shut down including Hof van Cleve. After a period of almost three months restaurants were again allowed to be reopened on 8 June 2020 provided that they take into account certain measures imposed by the government such as there are: a maximum of 10 people per table, 1.5 meter distance between restaurant staff and customers, obligatory use of a facemask unless seated at a table, etc. A more in-depth analysis and discussion of the measures and restrictions will be done later in the paper. (Vlaanderen, 2020; FOD Economie, 2020)

### *Happy in Bulgaria*

Happy is a daily restaurant chain that owns multiple restaurants in Bulgaria. Before the pandemic, Happy reported a revenue of \$14.63 million, had 103 employees as well as 26 subsidiaries and seven branches (Dun&Bradstreet, 2019). Happy already offered online delivery and also had a strong established identity prior to the pandemic outbreak.

During the pandemic, the company did not change its business model even though the measures introduced by the Bulgarian government were severe and a lockdown was announced almost immediately after the first confirmed covid-19 cases which meant only grocery stores and delivery services were allowed to be operational (Coronavirus.bg, 2020). Happy maintained their usual brand promise and solely relied on their delivery services while the restaurants were forced to be closed.

When restaurants were again allowed to be opened, the manager of Happy, Teodora Popova, came out with a statement concerning the issue:

“Every day, more than 50,000 people visit us and we are responsible for protecting them. We have introduced hygiene measures, in compliance with the Ministry of Health and the European standards [...]. We do our best to provide maximum protection for customers [...]. For 25 years we have been practising a responsible business culture, so we monitor the situation hourly [...]” [11th of March 2020] (offnews.bg, 2020).

The measures imposed by the government include cleaning surfaces at all times, employees were to wear gloves and masks and the employees' temperature was measured (offnews.bg, 2020). Additional measures taken by the restaurant chain involved packaging of food and drinks in hermetically closed plastic bags and carrying out deliveries “Without personal contact” (Forbes България, 2020). The delivery boxes are also being kept in heated spaces to reduce the risk of infection (Forbes България, 2020).

The company marketed the change through the slogan: “still delivering the happy experience”. The campaign was called “Eat at home” and included communications such as “You can't come? Then eat at home” and had its own hashtag on Facebook #HappyВкъщи (Happy at home) (Forbes България, 2020). The manager of Happy Delivery, Ivelin Iliev, states that there has been a 10% growth in delivery sales and attributes these results to the trust of the customers (Forbes България, 2020). According to him, the main advantage of the company is that it offers food made only inside Happy's own premises and that this provides good conditions to fully manage the whole process of preparing and delivering the food (Forbes България, 2020). (see Appendices 8.3 for visual representation)

### *Noma in Denmark*

Noma is a Danish two-star Michelin Guide restaurant located in Copenhagen and it is considered one of the best restaurants in the world. It offers a new way of cuisine due to its innovative genre of cooking. For four years it was named The World's best restaurant (2010, 2011, 2012, 2014) and it has earned the Highest New Entry Award with its debut (UI - 50B - Restaurants - GLOBAL, 2020).

The fine dining restaurant offers three menus per year based on the seasonal ingredients and each menu includes twenty courses (UI - 50B - Restaurants - GLOBAL, 2020). The restaurant also has made its own publications with The Noma Guide to Fermentation which includes special recipes and has become a New York Times Best Seller (UI - 50B - Restaurants - GLOBAL, 2020).

During the pandemic Noma kept its doors open by changing its business model drastically and relying on its reputation and established trust and relationships. The Danish authorities introduced a lockdown and limited restaurant activity because it



involved close interaction between service providers and customers (Politi.dk, 2020). As to accommodate the measures Noma

### 3.2 Introduction of the restaurant strategy model

After briefly examining the four restaurants

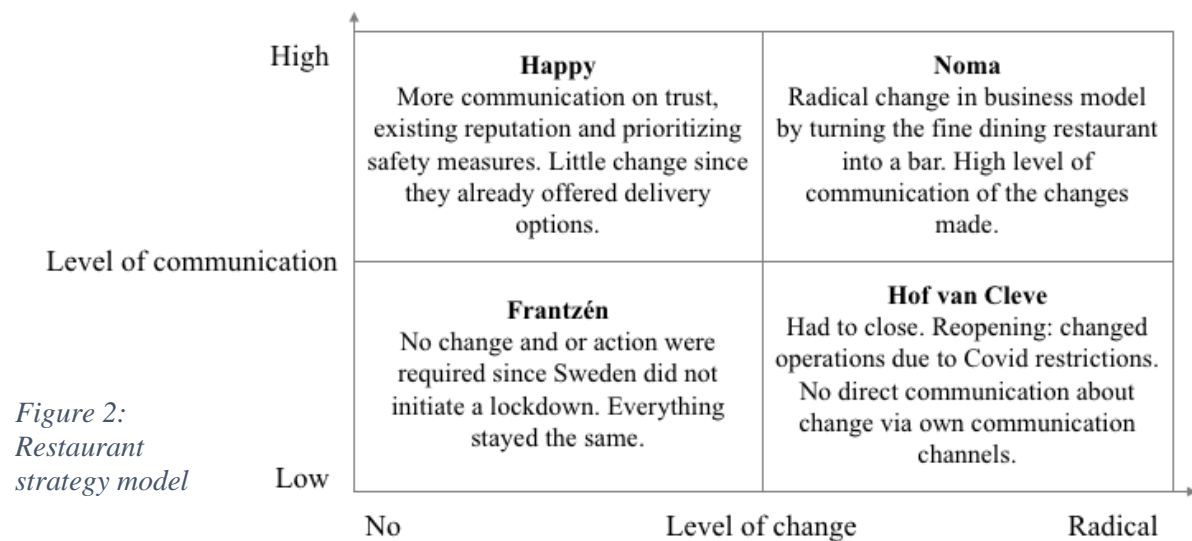


Figure 2: Restaurant strategy model

changed its menu, moved its venue outdoors and reopened its doors as a “Burger bar”.

The reputation of the restaurant served as a guarantee for the burgers’ high quality. The product itself was relatively simple but on opening day Noma sold 1,300 burgers in only four hours. The previous business model included fine-dining and a feeling of exclusivity but the new one was inclusive and invited everyone on the streets (Insider, 2020).

Previously a meal would cost around \$500 but the burgers served were sold for between \$19 and \$23. Some of the customers were attracted to the “Burger bar” for the relatively lower prices while others wanted to feel the new experience. The customers were firm that they would visit the bar again, although the feeling of exclusivity was still present when Noma announced that the burger bar would close on the 21st of June (Insider, 2020). Noma’s changes were communicated online and interviews were done with both employees and customers. (see Appendices 8.4 for visual representation)

within their respective country environment it is evident that the restaurants experienced differentiating levels of change and need of adaptation. The pandemic had very specific effects in each of the cases and this can be attributed to the approach each respective country took to the crisis as well as the local mindset of the consumers. The idea that the covid-19 measures had an impact on the reaction of each restaurant will be further discussed in the country specific analysis section of the paper.

In order to put the findings into an expressible format a two by two matrix is developed, see Figure 2. On the horizontal axis, the level of radical change that occurred in restaurants’ operations is shown and on the vertical axis the amount of action taken by each of them is illustrated.

- Horizontal axis: “No change” to “Radical change”

This includes how much the business model, communication and actions of the respective restaurant changed. Relevant considerations for the assessment of this axis were for instance if the restaurant changed venues, started offering home delivery options or kept the same business model but added something extra to express safety.

- Vertical axis: Level of action undertaken in communication

This measure expresses the level of action taken by the restaurants. Relevant questions

more specifically, the Government Stringency Index (Our World in Data, 2020). This tool was developed by researchers at the Blavatnik School of Government at the University of Oxford

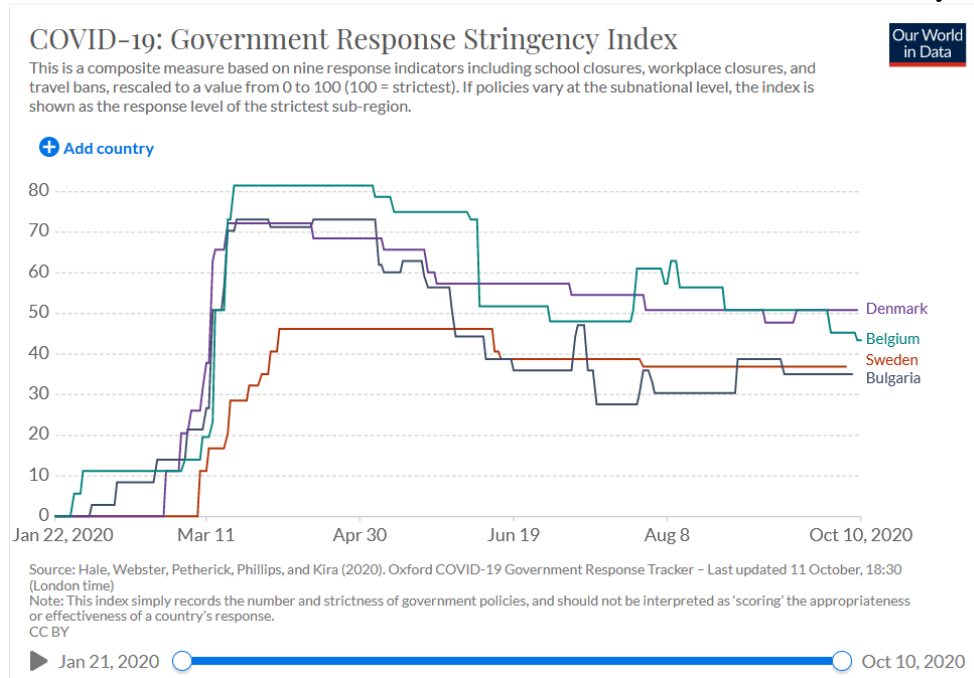


Figure 3

Source: Our World in Data, 2020

for the no action/action axis include, for instance, if the restaurant emphasised communication differently or even completely changed it, if restaurants were able to attract more attention from customers, and if they had to instil additional trust in their customers or if they could rely on their previously achieved brand reputation.

#### 4. Discussion

In this section, the measures taken during the pandemic will be discussed and data will be presented explaining the differences in severity of the lockdown and the impact on the restaurant industry in order to put the four restaurant cases into context. After which a new two by two matrix (e.g. country lockdown model) will be presented that positions the four countries on a dimensional platform.

For the purposes of this paper the Oxford Coronavirus Government Response Tracker (OxCGRT) will be utilised, and

(Our World in Data, 2020). The data from the research is translated into tables available on the Our World in Data website (Our World in Data, 2020).

Following are the main criteria for country comparison measured through the GSI which form the final coefficients displayed in the graphs:

- school closures;
- workplace closures;
- cancellation of public events;
- restrictions on public gatherings;
- closures of public transport;
- stay-at-home requirements;
- public information campaigns;
- restrictions on internal movements;
- international travel controls.

(Our World in Data, 2020)

#### *4.1 Severity of Covid-19 measures in Belgium, Bulgaria, Denmark and Sweden*

The comparison provides data from 21 January 2020 to 10 October 2020. The chart is dynamic and updated regularly and thus for the purposes of this paper only the previously stated time period will be discussed. An additional resource are the BBC News charts focussing on the global crisis which define four possible strategies for action such as there are localised recommendations, localised lockdown, national recommendations and finally, national lockdown (BBC News, 2020).

According to the GSI comparison, the four countries have a varying approach to the pandemic. They will be discussed separately to explain the progression of the measures and the actions that have been undertaken. See the graphical representation of the comparison of the four countries in Figure 3.

In January 2020, Belgium introduced measures at a stable pace. The country reached the highest amount of measures throughout the whole period with a score of 81.48 compared to Bulgaria (73.15), Denmark (72.22) and Sweden (46.30) (Our World in Data, 2020). After the first three months the government alleviated the measures at an irregular pace until October 10th. Hence, Belgium became the second strictest country of the four with a score of 43.52 (Our World in Data, 2020). According to the BBC News charts on the global lockdown, Belgium only introduced two strategies - National Recommendations and National Lockdown (BBC News, 2020). The first case of COVID-19 was identified between February 1st to 15th but the National recommendations only grew into National lockdown measures between March 1st to 15th with a sizable gap between them (BBC News, 2020).

In contrast, Bulgaria's first case was identified between March 1st and 15th and with a fast pace, between March 15th and April 1st, the country subsequently proceeded from National Recommendations to Localised lockdown and finally established a National lockdown (BBC News, 2020). Bulgaria is the only country of the four to have used the Localised lockdown strategy. According to the GSI, the country introduced strict and swift measures but their implementation had high fluctuations after the initial period between March 11th and April 30th. The growing public discomfort, which pushed the government to indecisiveness, proved to be the reason for the fluctuations in decision making (Coronavirus.bg, 2020). As of October 10th, Bulgaria achieved a score of 35.19 which is the lowest amongst the four countries - Denmark (50.93), Belgium (45.37) and Sweden (37.04) (Our World in Data, 2020).

Denmark had a more stable approach. The country had its first registered case a few days before the 1st of March but swiftly introduced National recommendations followed by National lockdown measures between March 15th and April 1st (BBC News, 2020). The country was also most stable in its policy towards the regulations during this first period of the pandemic. As of 10 October, Denmark has the strongest measures with a score of 50.93. The lockdown began early and was at its peak in March with a score of 77.22 after which the measures were alleviated at a moderate pace reaching their current level (Our World in Data, 2020).

The last country to introduce any kind of recommendations was Sweden. Around March 11th, the country scored 11.11 on the GSI. Until June 19th, Sweden achieved a score of 46.30 after which the value fell again at a very slow and steady pace (Our World in Data, 2020). Even though the first registered case of covid-19 in Sweden was

a few days before February 1st, the measures were introduced almost a month and a half later - between March 1st and 15th (BBC News, 2020). The only strategy the country applied was National recommendations (BBC News, 2020) since they chose to approach the global crisis in an entirely different way compared to most other European countries namely, a strategy of social responsibility where citizens were expected to follow the recommendations without additional government interference (Folkhalsomyndigheten.se, 2020).

#### *4.2 Impact on the restaurant industry by country*

The Belgian National Security Council closed all non-essential establishments on 17 March 2020. Citizens were required to stay in their homes (Belgium.be, 2020). The then Prime Minister Sophie Wilmès announced that on 8 June 2020 restaurants and bars were allowed to reopen, but a distance of 1.5 meters had to be maintained between tables. Bars were expected to close at 1 AM, mass gatherings were not allowed and people were only allowed to meet up to 10 other people within a single week (Martuscelli, C. and Moens, B., 2020). On 8 October 2020, a decision was taken for bars to be closed again for a monthly period, as the Federal Health Minister, Frank Vandenbroucke described bars as “real infection hotspots”, but restaurants were kept operational for now (Brusselstimes.com, 2020).

In the beginning of the pandemic, Bulgaria put in place a lockdown which allowed only grocery shops to be opened as well as all kinds of home delivery services (Coronavirus.bg, 2020). Visits to bars, restaurants and other establishments were suspended with a state order (Coronavirus.bg, 2020). Later on, the government allowed the restaurant industry to resume business activities with some conditions: ensuring the safety of workers and restaurant guests and establishing procedures under the presumption of an

infection among workers and guests (Rzivit.bg, 2020).

The Danish measures in the beginning of the crisis were swift. People could not gather and many free trade professions were mandatorily closed down (Politi.dk, 2020). Most of them included premises at which clients are offered services involving close physical contact such as restaurants and nightlife, retail shops, social activities and private parties (Politi.dk, 2020). No more than fifty people were allowed to gather in one venue and because of the growing infection rate among the young population restaurant work hours were reduced, all guests were required to wear face masks except for when they were already seated, a maximum number of customers sitting together was put in place and citizens were advised to use online applications to order. A voluntary contact data gathering measurement was introduced in case a customer was infected (Politi.dk, 2020).

Sweden only proposed recommendations, which included providing information for staff and customers, marking the appropriate distance between people on floors, rearranging venues so that there is no clustering of people, washing hands often, avoiding gatherings and using alternative means of transport (Folkhalsomyndigheten.se, 2020). Personal responsibility was taken into consideration in limiting the spread of infection (Folkhalsomyndigheten.se, 2020). After July 1st, a new act was established for the restaurant industry which is valid until 31 December 2020 and dictates that restaurants are responsible for taking measures to prevent the spread of the virus (Riksdagsförvaltningen, 2020).

#### *4.3 Country lockdown model*

In this section, a two by two matrix will be developed according to the information presented above which aims to express both

the level and severity of the lockdown measures (estimated by Normal or High)

service and needed only reassurance due to the lack of stability of action, high



Figure 4: Country lockdown model

and the amount of fluctuation in the decision-making process (estimated by Low or High), see Figure 4.

- Horizontal axis: Severity of lockdown measures

This measurement includes how many regulations were implemented according to the Government Stringency Index as of 10 October and what impact they had on the different actors in the specific setting.

- Vertical axis: Stability of action

Through this measurement we aim to estimate the level of fluctuations in the chosen strategies and the pace of their implementation and, later on, alleviation as of the whole period until October 10th. (See Figure 4)

Through usage of the matrix the adapted strategies of the four restaurants become clearer. In Sweden, which kept a similar position throughout the crisis there was no need for change or action from Frantzen's point of view (see Appendices 8.1 for visual representation), while in Denmark the environment dictated a radical change of business model in order for Noma to sustain its market position (see Appendices 8.4 for visual representation). In Happy's case, the market was already well versed with the

fluctuation of decision-making and the severity of the measures implemented in the country (see Appendices 8.3 for visual representation). Belgium introduced severe measures and did not allow for much movement outside of these constraints and thus the reaction of Hof van Cleve is rational and compelling (see Appendices 8.2 for visual representation).

#### 4.4 Analysis of brand trust and reputation after restaurants adapted their strategies

To analyse the interconnection between restaurant strategies, brand trust and brand reputation we use the following model which was briefly introduced previously (e.g. Figure 1).

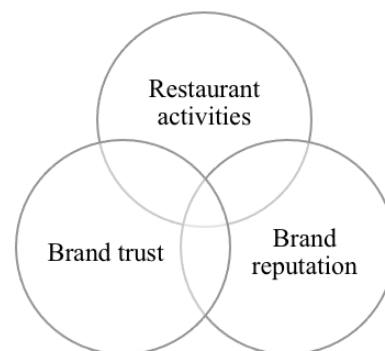


Figure 1

After taking a closer look at the different strategies implemented by the restaurants while taking into account their country specific covid-19 approach, it is possible to evaluate the concepts of brand trust and brand reputation and how they relate to said changes. Are we able to identify certain changes with regard to brand trust and/or brand reputation within our four chosen restaurants?

First of all, after analysing the case of Frantzén (Sweden) it is noticeable that the restaurant did not make any changes to its regular, every day, operations. Although a big part of the restaurant's clientele consists of international guests it has not been possible to detect a specific loss in trust or reputation. The brand's reputation has been a key aspect in maintaining its loyal customer base. Today, it is still necessary to make reservations on the first day of each month if you want to make sure you have your place secured and there is no evidence that indicates customers are more reluctant than they were before about visiting the establishment. Customers are still willing to pay the initial price since the service quality and the experiences, as discussed by Erkmén & Hancer (2019), remain the same. Frantzén persists in keeping its core values and aims to deliver the same service as prior to the pandemic. When taking a look at customer reviews from the start of the pandemic on European soil (March 2020) until today using designated websites, such as there are TripAdvisor, we are able to identify the continuation of the same positive trend (TripAdvisor, 2020).

After that, we concluded that Hof van Cleve (Belgium) had to make several radical changes to their strategy to comply with the covid-19 regulations put into force by the Belgian government. Similar to Frantzén, the restaurant heavily relied on its brand reputation to attract customers although in the case of Hof van Cleve we can observe a decline in the number of customers. This reduction, however, has nothing to do with a decline in brand reputation or brand trust,

since the restaurant is still very much respected, but this can be attributed to the cutback of tables served as well as guests allowed within the establishment. The surviving popularity of the restaurant is visible in the fact that it is fully booked up until the end of year (Hof van Cleve). The customers' perception of the brand has not changed and it is still considered Belgium's number one restaurant. They expect, and receive, the quality that Hof van Cleve stands for and the new covid-19 strategy has not made an evident adjustment to that.

Furthermore, Happy (Bulgaria) kept their brand image, promise and quality delivery service while mainly relying on their reputation to keep attracting customers during the pandemic. The cornerstone of their strategy is offering the usual service while putting extra emphasis on communicating the adjustments they made with regard to covid-19. This was done in an attempt to increase brand trust in which they definitely succeeded. Sales saw an increase of ten percent, according to manager Iliev, and this was directly attributed to the trust consumers had in Happy due to the fact that meals were entirely prepared inside the restaurants (Forbes България, 2020).

The reputation of the brand did not decrease due to their efficient communication and implementation of the government regulations. CSR also played an important role in doing this. By showing that the restaurant cares for its customers and employees they kept their customer base and the trust of the people. Even though their decision to use plastic bags as additional protection cannot be considered as environmentally friendly, they were able to communicate their prioritisation of public health as a much more pressing issue.

Finally, Noma (Denmark) changed their brand image largely from a two-star Michelin ranked restaurant when they decided to sell hamburgers outside the establishment as a burger bar. However, the restaurant's reputation and previously

established trust and relationships made it possible to turn it into an instant success. Customers were willing to pay between \$19 and \$23 per burger due to the quality guarantee that comes with the positive associations made with the Noma brand regarding trust and reputation. The exclusivity that is normally associated with the restaurant was also kept as they communicated that the burgers would only be sold until the end of June 2020 (Insider, 2020). Noma satisfied their customers' wants in a unique way due to Noma's high flexibility and ability to adapt quickly to the changing environment. The radical and successful change in strategy indicates that Noma has a deep understanding about their customers and simultaneously implies strong customer relationship.

## **5. General and contextual implications**

The current research provides general and contextual managerial implications. In general, due to the high relevance of employee compliance with situational requirements in the restaurant industry, the paper reflects on how to strengthen employee commitment and involvement to compliance. These insights go hand in hand with creating a meaningful customer relationship and promoting a positive customer perception of the restaurant image and reputation. Moreover, following the paper's findings, it is recommended that restaurant managers are sensitive to cultural settings and external circumstances in their CSR strategy formulation. Finally, findings state the need for restaurant brand managers to align brand personality with the customer's self-image. In uncertain times, such as during the Covid-19 pandemic, this implies for managers to be adaptable to and aware of changing customer values.

Contextual implications can be drawn from the cases of Frantzén, Noma and Hof van Cleve. Given that fine dining restaurants heavily rely on international guests but

covid-19 imposed travel restrictions in many countries, fine dining restaurants were expected to be impacted severely by the pandemic. However, according to the findings of the present research, fine dining restaurants were able to maintain their customer base during the unprecedented measures that were introduced due to the virus. This could be achieved through the customers' already existing brand trust and reputation which proves to be particularly high for fine dining restaurants. It is important to note that this holds true for all three countries despite their different approaches to reduce the spread of the virus. These insights highlight the paramount role for managers to lay an emphasis in marketing strategy formulation and implementation on fostering brand trust and making meaningful CSR efforts for a positive reputation among customers.

Happy has managed to implement a marketing strategy that provided customers with stability in a highly uncertain and unprecedented situation. Happy has become an actor in supporting the emotional stability of citizens and customers feeling pressured by external circumstances that resulted from the covid-19 health crisis. In other words, Happy's awareness of new customer demands and values and the importance of actively responding to those changed customer wants has strengthened customer relationships.

Given the recency of this topic, there is a lack of literature and empirical data on restaurant strategies during the times of the pandemic. Once the pandemic reaches a more progressive state, more data such as there is impact on profit, organisational performance and customer feedback of the respective restaurant strategies will emerge. These insights can then be utilised to expand research in form of, for instance, statistically significant quantitative studies that analyse more restaurants and countries or through usage of empirical data on different or additional customer values that evolved from the crisis and how restaurants



need to adapt to those new customer wants and needs. Moreover, this can be linked to the relevance of deepened research about the role of restaurants' peripheral and core values when adapting to changed external circumstances.

Finally, future research evaluating post covid-19 restaurant strategies in different countries and cultural settings may lead to valuable theoretical and managerial implications depending on if the covid-19 pandemic lastingly changed the restaurant industry.

## 6. Conclusion

In conclusion, the current paper elaborated on the aim to review different strategies that restaurants developed in response to the covid-19 pandemic. The four cases examined in this research emphasise the relevance for restaurants to be sensitive towards all concerned actors given the high involvement of the government and the customers themselves. As represented in the findings of the presented research, the level of change in strategy and the need of adaptation in response to external circumstances have significant impact on the customer's brand trust and the restaurant's reputation. Furthermore, meaningful CSR efforts as well as employee commitment and loyalty are essential for creating ambassadors of the brand and a positive spill over effect on reputation, trust and credibility. Gaining more precise and concrete knowledge on how various restaurant strategies impact the customers in terms of brand trust, brand preference and relationship would be of high value regarding future implications for strategic brand managers.

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## 8. Appendices

### 8.1 Frantzén in Sweden – the restaurant venue



Figure 5: The venue inside (Joynstudio,2017)



Figure 6: The venue outside (Joynstudio, 2017)

### 8.2 Hof van Cleve in Belgium – the restaurant venue



Figure 7: The venue inside ([www.andyhayler.com](http://www.andyhayler.com), 2014)



Figure 8: The venue outside (UI -50B- Restaurants – GLOBAL., 2019)



### 8.3 Happy in Bulgaria – the restaurant before and after introduction of measures



Figure 9: The Happy venue before the pandemic (TripAdvisor, 2020)



Figure 10: The Happy venue and service after the beginning of the pandemic (iStock, 2020)



Figure 11: Packaging of delivery orders. On picture text: Packaging and closing in a bag (Happy Bar & Grill, 2020)



Figure 12: Delivery of order to the customer. On picture text: The order is already at your door! (Happy Bar & Grill, 2020)

8.4 Noma in Denmark – the restaurant before and after introduction of measures



Figure 13: Noma, before the pandemic (Time, 2018)



Figure 14: Noma, after the beginning of the pandemic (Hosie, R., 2020)



Figure 15: Noma's Burger bar venue (The Spaces, 2020)



Figure 16: Que for the Noma Burger bar (JellyPages.com, 2020)